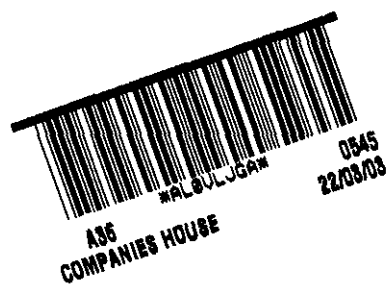


**COMPUTING FOR SCIENCE
LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

**for the year ended
30th September 2002**

Company Registration Number 2707969



MITCHELL CHARLESWORTH
Chartered Accountants

COMPUTING FOR SCIENCE LIMITED

Accounts

Year ended 30th September 2002

Contents	Page
Officers and professional advisers	1
The directors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the accounts	5
 The following pages do not form part of the accounts	
Accountants' report to the directors	8
Detailed profit and loss account	9

COMPUTING FOR SCIENCE LIMITED

Officers and Professional Advisers

The board of directors

Dr M F Guest
Dr J Kendrick
Dr J H Van Lenthe

Company secretary

Dr M F Guest

Registered office

Theory & Computational Science Division
EPSRC Daresbury Laboratory
Daresbury
Warrington
Cheshire
WA4 4AD

Accountants

Mitchell Charlesworth
Chartered Accountants
24 Nicholas Street
Chester
CH1 2AU

Bankers

Barclays Bank Plc.
56 Station Road
Redcar
Cleveland

COMPUTING FOR SCIENCE LIMITED

The Directors' Report

Year ended 30th September 2002

The directors present their report and the unaudited accounts of the company for the year ended 30th September 2002.

Principal activities

The principal activity of the company during the year was that of development of computational chemistry methods.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 September 2002	At 1 October 2001
Dr M F Guest	340	340
Dr J Kendrick	220	220
Dr J H Van Lenthe	220	220

Retirement of directors

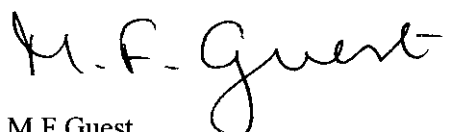
In accordance with the Articles of Association, Dr J Kendrick will retire from the board and, being eligible, will stand for re-appointment.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Theory & Computational Science Division
EPSRC Daresbury Laboratory
Daresbury
Warrington
Cheshire
WA4 4AD

Signed by order of the directors



Dr M F Guest
Company Secretary

Approved by the directors on 3rd February 2003

COMPUTING FOR SCIENCE LIMITED

Profit and Loss Account

Year ended 30th September 2002

	Note	2002 £	2001 £
Turnover		14,233	20,706
Cost of sales		<u>128</u>	<u>488</u>
Gross profit		14,105	20,218
Administrative expenses		<u>2,084</u>	<u>782</u>
Operating profit	2	12,021	19,436
Interest receivable	3	<u>1,034</u>	<u>1,181</u>
Profit on ordinary activities before taxation		13,055	20,617
Tax on profit on ordinary activities		<u>782</u>	<u>2,538</u>
Retained profit for the financial year		<u>12,273</u>	<u>18,079</u>

The notes on pages 5 to 7 form part of these accounts.

COMPUTING FOR SCIENCE LIMITED

Balance Sheet

30th September 2002

	Note	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	4		502		—
Current assets					
Debtors	5	—		3,570	
Cash at bank		71,774		58,675	
		71,774		62,245	
Creditors: Amounts falling due within one year	6	2,200		4,442	
Net current assets			69,574		57,803
Total assets less current liabilities			70,076		57,803
Capital and reserves					
Called-up equity share capital	7		1,000		1,000
Profit and Loss Account	8		69,076		56,803
Shareholders' funds			70,076		57,803

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These accounts were approved by the directors on the 1st Feb 2003 and are signed on their behalf by:

J. Kendrick

Dr.J. Kendrick
Director

The notes on pages 5 to 7 form part of these accounts.

COMPUTING FOR SCIENCE LIMITED

Notes to the Accounts

Year ended 30th September 2002

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 25% Straight line

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

COMPUTING FOR SCIENCE LIMITED

Notes to the Accounts

Year ended 30th September 2002

2. Operating profit

Operating profit is stated after charging:

	2002	2001
	£	£
Depreciation	<u>168</u>	<u>—</u>

3. Interest receivable

	2002	2001
	£	£
Bank interest receivable	<u>1,034</u>	<u>1,181</u>

4. Tangible fixed assets

	Equipment
	£
Cost	
Additions	<u>670</u>
At 30th September 2002	<u>670</u>
Depreciation	
Charge for the year	<u>168</u>
At 30th September 2002	<u>168</u>
Net book value	
At 30th September 2002	<u>502</u>
At 30th September 2001	<u>—</u>

5. Debtors

	2002	2001
	£	£
Other debtors	<u>—</u>	<u>3,570</u>

COMPUTING FOR SCIENCE LIMITED

Notes to the Accounts

Year ended 30th September 2002

6. Creditors: Amounts falling due within one year

	2002	2001
	£	£
Trade creditors	346	347
Corporation tax	1,090	2,538
Other creditors	764	1,557
	<u>2,200</u>	<u>4,442</u>

7. Share capital

Authorised share capital:

	2002	2001
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	<u>1,000</u>	<u>1,000</u>

8. Profit and loss account

	2002	2001
	£	£
Balance brought forward	56,803	38,724
Retained profit for the financial year	<u>12,273</u>	<u>18,079</u>
Balance carried forward	<u>69,076</u>	<u>56,803</u>

Mitchell Charlesworth

Chartered Accountants
24 Nicholas Street Chester

COMPUTING FOR SCIENCE LIMITED

Accountants' Report to the Directors

Year ended 30th September 2002

As described on the balance sheet, the directors of the company are responsible for the preparation of the accounts for the year ended 30th September 2002, set out on pages 3 to 7 .

You consider that the company is exempt from an audit under the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

24 Nicholas Street
Chester
CH1 2AU

MITCHELL CHARLESWORTH
Chartered Accountants

3rd February 2003

COMPUTING FOR SCIENCE LIMITED

Detailed Profit and Loss Account

Year ended 30th September 2002

	2002		2001	
	£	£	£	£
Turnover		14,233		20,706
Cost of sales				
Purchases	128		140	
Royalties	—		348	
		128		488
Gross profit		14,105		20,218
Overheads				
General expenses	15		15	
Advertising	1,000		—	
Accountancy fees	811		725	
Depreciation of office equipment	168		—	
Bank charges	90		42	
		2,084		782
Operating profit		12,021		19,436
Interest received		1,034		1,181
Profit on ordinary activities		13,055		20,617